

North Dakota REV-E-NEWS



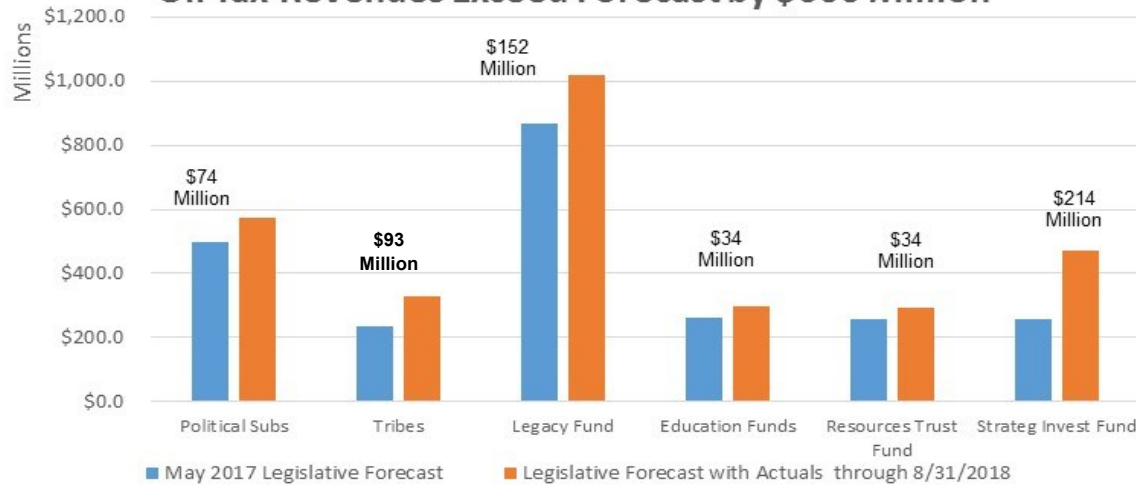
Joe Morrisette, Director

September 2018

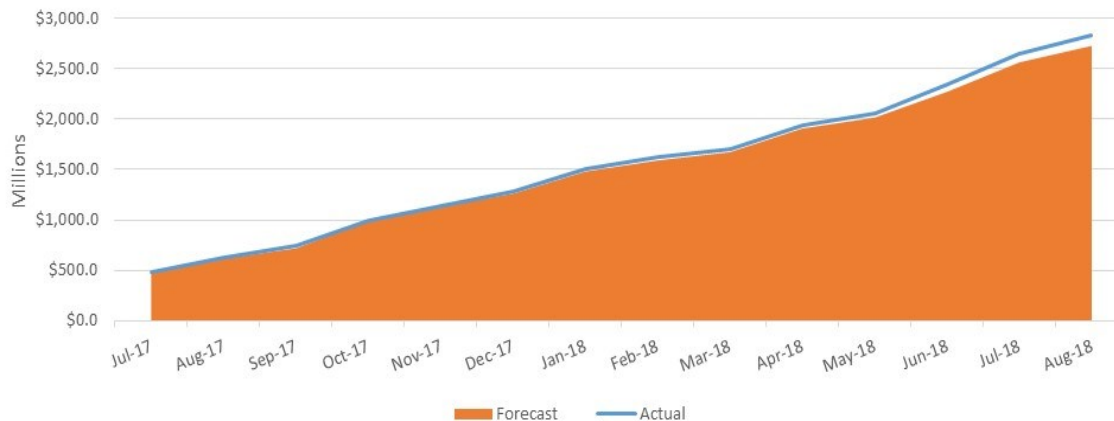
OFFICE OF MANAGEMENT AND BUDGET

600 EAST BOULEVARD AVE — DEPT. 110 BISMARCK, ND 58505-0400

Oil Tax Revenues Exceed Forecast by \$600 Million



General Fund Revenue Collections Exceed Forecast by \$105 Million



OIL ACTIVITY Statistical Information



	July 2018	June 2018	May 2018
Actual average price per barrel	\$67.76	\$61.99	\$64.51
Production (barrels/day)	1,269,366	1,227,320	1,246,355
Drilling permits	163	113	121
Producing wells	14,972	14,782	14,763
Rig count	66	63	62

Tax Allocations (in Millions)

	Biennium to Date August 31, 2018		
	Forecast	Actual	Incr (Dcr)
Political Subs	266.6	340.5	73.9
Tribes	125.2	218.6	93.4
Legacy Fnd	463.2	615.2	152.0
General Fnd	202.4	400.0	197.6
Education Fnds	140.1	173.7	33.6
Resourc Trst Fnd	136.9	170.5	33.6
Budget Stabil Fnd	75.0	75.0	0.0
Tax Relief Fnd	200.0	200.0	0.0
Strat Invst Fnd	0.0	14.0	14.0
Other Allocations	59.8	61.8	2.0
Total	1,669.2	2,269.3	600.1

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Legislative Forecast 2017-19 Biennium August 2018

Revenues and Transfers	Fiscal Month				Biennium To Date			
	May 2017 Leg. Forecast	Actual	Variance	Percent	May 2017 Leg. Forecast	Actual	Variance	Percent
Sales Tax	67,297,000	84,566,820	17,269,820	25.7%	994,484,000	1,014,907,143	20,423,143	2.1%
Motor Vehicle Excise Tax	10,272,000	12,478,500	2,206,500	21.5%	127,560,000	137,465,563	9,905,563	7.8%
Individual Income Tax	15,796,000	10,765,701	(5,030,299)	-31.8%	399,817,000	435,556,166	35,739,166	8.9%
Corporate Income Tax		774,374	774,374		54,592,000	93,952,930	39,360,930	72.1%
Insurance Premium Tax	5,093,814	4,988,930	(104,884)	-2.1%	67,550,098	60,114,827	(7,435,271)	-11.0%
Oil & Gas Production Tax*	42,500,905	42,500,905			212,147,129	212,147,128		
Oil Extraction Tax*	14,878,639	14,878,639			187,852,871	187,852,872		
Gaming Tax	717,841	507,200	(210,641)	-29.3%	4,488,470	3,890,214	(598,256)	-13.3%
Lottery					7,500,000	7,300,000	(200,000)	-2.7%
Cigarette & Tobacco Tax	2,370,000	2,497,851	127,851	5.4%	31,662,000	31,329,943	(332,057)	-1.0%
Wholesale Liquor Tax	754,479	755,472	993	0.1%	10,476,934	10,510,484	33,550	0.3%
Coal Conversion Tax	1,661,000	1,718,650	57,650	3.5%	21,543,000	23,828,877	2,285,877	10.6%
Mineral Leasing Fees	1,239,514	2,077,644	838,130	67.6%	17,685,966	20,592,290	2,906,324	16.4%
Departmental Collections	1,826,428	2,560,207	733,779	40.2%	44,192,925	45,671,194	1,478,269	3.3%
Interest Income	248,000	419,546	171,546	69.2%	4,323,500	4,473,588	150,088	3.5%
State Mill & Elevator-Transfer					8,802,989	10,109,147	1,306,158	14.8%
Bank of North Dakota - Transfer					70,000,000	70,000,000		
Legacy Fund - Transfer								
Tax Relief Fund - Transfer					183,000,000	183,000,000		
SIIF - Transfer					248,000,000	248,000,000		
Gas Tax administration					1,260,075	1,260,075		
Miscellaneous					32,350,000	32,533,690	183,690	0.6%
Total Revenues and Transfers	164,655,620	181,490,438	16,834,818	10.2%	2,729,288,957	2,834,496,133	105,207,176	3.9%

* The General Fund cap for oil and gas taxes contains two tiers. The first tier of \$200.0 million was reached in January 2018. Additional oil taxes were allocated to the Tax Relief Fund until that fund received \$200.0 million, and then to the Budget Stabilization Fund until that fund reached its cap of \$75.0 million. The second tier of \$200.0 million was met in August so no additional allocations will be made to the general fund during the 2017-19 biennium.

STATEMENT OF GENERAL FUND REVENUES AND FORECASTS Compared to the Previous Biennium Revenues 2017-19 Biennium August 2018

Revenues and Transfers	Fiscal Month				Biennium To Date			
	August 2016	August 2018	Variance	Percent	2015-17	2017-19	Variance	Percent
Sales Tax	93,255,120	84,566,820	(8,688,300)	-9.3%	1,083,902,397	1,014,907,143	(68,995,254)	-6.4%
Motor Vehicle Excise Tax	11,402,552	12,478,500	1,075,948	9.4%	126,106,478	137,465,563	11,359,085	9.0%
Individual Income Tax	21,092,105	10,765,701	(10,326,405)	-49.0%	405,165,258	435,556,166	30,390,908	7.5%
Corporate Income Tax	266,160	774,374	508,214	190.9%	98,282,109	93,952,930	(4,329,178)	-4.4%
Insurance Premium Tax	4,052,477	4,988,930	936,454	23.1%	59,627,900	60,114,827	486,927	0.8%
Financial Institutions Tax	604,279		(604,279)	-100.0%	1,151,863		(1,151,863)	-100.0%
Oil & Gas Production Tax*		42,500,905	42,500,905		83,379,177	212,147,128	128,767,951	154.4%
Oil Extraction Tax*		14,878,639	14,878,639		116,620,823	187,852,872	71,232,049	61.1%
Gaming Tax	672,841	507,200	(165,641)	-24.6%	4,145,469	3,890,214	(255,256)	-6.2%
Lottery	0				9,580,000	7,300,000	(2,280,000)	-23.8%
Cigarette & Tobacco Tax	2,374,522	2,497,851	123,329	5.2%	33,992,715	31,329,943	(2,662,772)	-7.8%
Wholesale Liquor Tax	688,092	755,472	67,380	9.8%	10,665,162	10,510,484	(154,678)	-1.5%
Coal Conversion Tax	1,673,041	1,718,650	45,609	2.7%	23,863,017	23,828,877	(34,140)	-0.1%
Mineral Leasing Fees	1,087,514	2,077,644	990,130	91.0%	16,085,222	20,592,290	4,507,069	28.0%
Departmental Collections	1,915,030	2,560,207	645,176	33.7%	44,686,709	45,671,194	984,485	2.2%
Interest Income	247,384	419,546	172,162	69.6%	12,687,296	4,473,588	(8,213,708)	-64.7%
State Mill & Elevator-Transfer					4,434,894	10,109,147	5,674,253	127.9%
Major Special Fund Transfers					657,000,000	501,000,000	(156,000,000)	-23.7%
Other Transfers	(39)		39	-100.0%	1,344,928	33,793,765	32,448,838	2412.7%
Total Revenues and Transfers	139,331,079	181,490,438	42,159,358	30.3%	2,792,721,416	2,834,496,133	41,774,717	1.5%

VARIANCES

(Compared to 2017 Legislative Forecast)

August 2018 revenues totaled \$181.5 million, which is \$16.8 million, or 10.2 percent above forecast.

Biennium-to-date revenues of \$2.83 billion are \$105.2 million, or 3.9 percent more than projected. When transfers from major special funds are excluded, 2017-19 revenues to date are tracking 9.3 percent ahead of the same time period in the 2015-17 biennium. Significant monthly variances are as follows:

- **Sales tax** collections of \$84.6 million were \$17.3 million, or 25.7 percent, higher than anticipated for the month. Biennium-to-date revenues of \$1.01 billion are \$20.4 million, or 2.1 percent, higher than forecast. In a year over year comparison, August sales tax revenues are \$14.3 million, or 20.4 percent, higher than August 2017 sales tax revenues and \$8.7 million, or 9.3 percent, lower than August 2016.
- **Motor vehicle excise tax** collections of \$12.5 million were \$2.2 million or 21.5% above forecast, due to higher than anticipated sales.

Biennium-to-date collections of \$137.5 million are \$9.9 million, or 7.8 percent, higher than forecast and \$11.4 million, or 9.0 percent, higher than the same time period in the 2015-17 biennium.

- **Individual income tax** collections of \$10.8 million were \$5.0 million, or 31.8 percent lower than forecast, due to lower than anticipated withholding. Biennium-to-date collections of \$435.6 million are \$35.7 million, or 8.9 percent higher than forecast and \$30.4 million, or 7.5 percent, higher than the same time period in the 2015-17 biennium.
- **Oil and gas taxes** reached \$200.0 million in January – the first tier of the biennial cap. The state share was deposited in the tax relief fund until that fund reached its cap of \$200.0 million and then deposits were made to the budget stabilization fund until that fund reached its cap of \$75.0 million. The second tier of \$200 million was met in August so no additional allocations will be made to the general fund during the 2017-19 biennium.

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